



28 September 2012

Planning Department
Studies and Research Section
16/F North Point Government Offices
333 Java Road, North Point
Hong Kong

Dear Sirs,

By Email: srpd@pland.gov.hk

**Re: North East New Territories New Development Areas (“NENT NDAs”)
Planning and Engineering Study: Stage 3 Public Engagement (“the Study”)**

The General Practice Divisional Council of the Hong Kong Institute of Surveyors (HKIS) would like to offer our views and comments on the Study as follows:

1. Hong Kong Needs Long Term Planning of Development Lands

The NENT NDAs represent important sources of long term land supply for Hong Kong. The HKIS is aware that different views have been expressed in the community from different stakeholders including the affected owners and occupiers.

Hong Kong does need to cater for the increasing demand for lands for housing, employment and other uses which demand comes from expected population increase and the existing population. The long term planning and implementation of various large scale development areas including the NENT NDAs, Hung Shiu Kiu and Yuen Long South are important to serve the people of Hong Kong.

2. Proposed Density and Flat Supply

The proposed development density in the three NENT NDAs (on average 284 persons per hectare) is low when comparing to existing built up areas which on average would be close to 400 persons per hectare as revealed in the reclamation consultation document. The total flat supply would be in the order of some 53,800 for a total land area of some 533 ha. In the light of the planned availability of MTR and the very significant costs for resumption and infra-structure, the development density should be increased so as to make good use of valuable development lands. The new areas would also need critical mass of population to make the same lively and sustainable.



3. The Conventional New Town Approach

For the purpose of implementation, the Government proposes to resume all the private lands in the NENT NDAs. The scale of resumption is very large as the private lands amount to some 265 ha or about half of the total development area.

The Government uses the term “Conventional New Town Approach” to describe the resumption arrangement. However, it is noted that the development of various new towns in the past were through both reclamation and resumption. The previous new town approach was inclusive of land exchange and land entitlement rather than pure resumption.

At the beginning of the year, the Government set out in the Reclamation Engagement Digest that resumption “will cause local resentment if residents wish to maintain their rural lifestyle or are not satisfied with compensation or re-housing arrangement. The land acquired can only be used for designated purposes, resulting in low flexibility in land use”.

The proposed wholesale resumption excluding other options is a fundamental change in government policy as private developers/owners would not have the opportunity to apply for land exchange for development no matter their land holdings comply with the proposed town planning zoning for commercial and/or residential uses for example. This is another area which does not align with previous new town development practice.

The Government suggests that this approach would ensure orderly implementation of the NDAs. There is, however, no comparative information/assessment available from the Government to indicate the timing and delivery of development lands in its proposal as against the land exchange approach with initiatives from private owners. Whether the resumption approach could actually speed up the land supply in the NDAs could be uncertain. It is possible that some owners may challenge the legal basis of resumption which may then delay the implementation.

There are dissenting views relating to resumption of private lands from existing owners and then to sell development rights of these private lands to other owners. The protection of private property rights is fundamentally important and it is possible to preserve these rights whilst at the same time serving the public needs.

The land exchange arrangement has been an important source of land supply for several decades. If the underlying consideration for the exclusion of land exchange in this exercise is the avoidance of “perception of possible collusion between the government and the business sector”, and if such idea further



develops, then the land supply in Hong Kong would be much restricted as a result.

4. Resumption versus Land Exchange

The existing planning regime has been directing market forces for land assembly in the New Territories. Land exchange applications can then be made to reflect planning intentions and/or approvals.

Within the NENT NDAs, land assembly exercises have taken place which would have relied upon the public private partnership concept. If the proposed resumption of the whole NENT NDAs were to be implemented, this could then mean an end to the private land assembly in similar development areas and possibly other areas.

We would urge an impact assessment to be made by the Government of how this policy change would have on the private land exchange and housing production as well as the cost implications of the Government land supply through such route.

For the implementation, further thoughts should be given to the land exchange option. Relevant negotiations of land exchange could commence as and when approved town plans are available. This should facilitate early availability of development lands and there is no need to wait until the completion of the resumption and clearance exercise. The opposition from relevant land owners would be reduced, if not removed entirely, and the initial capital layout of the Government in terms of compensation can be reduced significantly.

5. Compensation arrangement

The details of the compensation arrangement are yet to be announced and the Government indicates that this could be better than the Choi Yuen Chuen case. Ex-gratia payments were used in the Choi Yuen Chuen case to facilitate the resumption. These ex-gratia payments were intended to attract affected parties to accept the settlement instead of pursuing the statutory route of compensation.

We look forward to seeing the review results of the ex-gratia payment arrangement and the rationale behind the same. Such review should include the types of ex-gratia payment to be paid to occupiers like squatters on private and/or government lands which in turn would have impact onto market behavior. At the same time, it would be useful if there is another review of the section 12 (c) of the Lands Resumption Ordinance so that the market value of the lands reflecting the development potential can be fairly included in compensation assessment.



6. Professional Input from members of the HKIS

It can be foreseen that large scale resumption would take place in the NENT NDAs at least to implement the public sector development including infrastructure. Affected parties including owners and occupiers would need professional services of private sector surveyors in assisting them in the resumption process and compensation matters. Our Institute would be pleased to discuss with relevant Government officials further relating to the engagement arrangement of the private sector surveyors so as to facilitate the process.

The HKIS would be pleased to discuss the above subjects further. Should you have any queries, please feel free to contact Sr C K Lau (Chairman of HKIS Working Group on Land Supply) at 2846 5501 or the undersigned at 2526 3679.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Francis Ng', is written over a faint, illegible printed name. The signature is fluid and cursive.

Francis Ng
Chairman of the General Practice Division
Hong Kong Institute of Surveyors

c.c. Sr Serena Lau, President of HKIS
Sr C K Lau